

March 14, 2022

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Testimony before the Select Committee on Economic Disparity and Fairness in Growth

Big Ideas for Small Businesses: Fostering American Entrepreneurship Through Starting, Sustaining and Growing Small Businesses

Thank you Ranking Member Bryan Steil and members of the committee for allowing me to testify about the importance of fostering American entrepreneurship through starting, sustaining, and growing small businesses. My name is Dina Rubio, and I'm the owner of Don Ramon restaurant in West Palm Beach, Florida.

American small business creation is one of the most powerful economic forces in the world. In no other country is it as easy and rewarding to pursue entrepreneurship as here. Americans have an unparalleled privilege to improve our living standards through entrepreneurship, which provides employment opportunities and enormous value to our communities.

I've seen the power of small business creation has first-hand. In 1979, when I was 17, my family and I fled the socialist uprising in Nicaragua. Despite the fact my parents had multiple jobs, we were called "Burgueses" (bourgeois) and targeted by the Sandinistas, who nationalized the economy, expropriated private property, introduced price controls, destroyed the currency, and indefinitely detained and executed counter-revolutionaries.

Life wasn't easy in the U.S. My parents had to work graveyard shifts and often couldn't afford groceries. But these sacrifices were small compared to the chance to live in a free, democratic country. I was able to fulfill my parents' dream of going to college.

While in school, I met my husband Juan, who came from Cuba. We clicked because we both had the same political experiences, escaping socialist countries. He had the vision of someday having his own business – something that is difficult to impossible in socialist countries. We partnered up in life and business and started a popular Cuban restaurant that has 18 employees.

Americans should never take their entrepreneurship birthright for granted. In many countries, entrepreneurship is illegal. In many others, starting a business is so burdensome, convoluted, and bureaucratic that it is almost impossible to do. The opportunity to start and grow your own small business is a precious gift.

Unfortunately, small business ownership is becoming more and more difficult. I fear that I would not have been able to start my own small business if I were beginning today. One of the biggest problems American small businesses face right now is high inflation. It must be addressed in order to turbocharge small business creation and growth.

Officially, American small businesses are facing approximately 10 percent inflation on their inputs. But in my restaurant's experience, our supply costs are rising even faster. For instance, a box of limes that I used to be able to find for \$30 now costs me \$90. I am forced to continually raise prices just to stay profitable, alienating my loyal customers on fixed incomes who don't understand my predicament. Rising small business prices -- even at the rate of inflation -- lead to fewer customers and less revenue.

The highest consumer inflation in 40 years, including record-high gas prices, are also hurting American businesses by making their customers feel poorer. When it costs \$75 to fill up your gas tank, you are less likely to make discretionary purchases like eating out. Americans are cutting back on these elective purchases to cover the increased cost of inflation, hurting small businesses nationwide.

In my view, these hurdles can be overcome by the federal government doing less, not more.

- Trillions of dollars in unnecessary federal deficit spending over the last couple of years have devalued the dollar and fueled inflation.
- Extremely generous federal supplemental unemployment insurance and stimulus payments paid people to stay out of the workforce and have caused the current historic labor shortage.
- Bans on oil production on federal land and bans on new pipelines raise the price of gasoline, which is an input in almost every good in the economy, putting upward pressure on prices.
- The constant threat of new taxes and regulations, such as those proposed by President Biden at the recent State of the Union, hang over the heads of small businesses, discouraging expansion and growth.

New and expanded small businesses can increase the supply of critical goods and commodities,

reversing runaway inflation that is causing so much pain for ordinary Americans. If only policymakers will let us to do so by getting out of the way.

When I see today's unchecked inflation, I am reminded of my former life in Nicaragua. For small businesses and the American economy to remain a beacon to the world, this inflation must immediately be brought under control. I worry that federal policymakers don't sense the urgency of the problem for those of us outside the D.C. Beltway.

On behalf of American small businesses, I urge you to please consider how your policies often hurt small businesses, reduce economic competitiveness, and fuel inflation. Doing so can protect the unique American small business economy for the next generation of entrepreneurs. Thank you for your time.